

RECORDATION NO. 24727-C FILED

DEC 10 '03

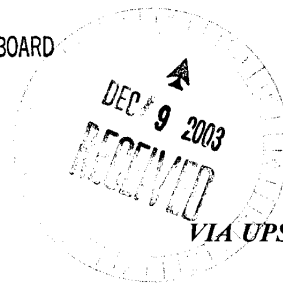
12-39 PM

FIRST UNION RAIL

One O'Hare Centre
6250 River Road, Suite 5000
Rosemont, IL 60018

Tel 847.318.7575
Fax 847.318.7588

SURFACE TRANSPORTATION BOARD



December 5, 2003

Mr. Vernon E. Williams
Surface Transportation Board
1925 K Street, N.W., Room 704
Washington, DC 20423-0001
Attn: Recordation of Railroad Equipment

Re: Memorandum of Lease Agreement

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are one (1) original and three (3) copies of a Memorandum of Lease Agreement, dated June 26, 2003, a secondary document as defined in the Board's Rules for the Recordation of Documents. The enclosed document relates to the Memorandum of Lease which was duly filed with the Commission on this date as Recordation Number _____.

Lessor: First Union Rail Corporation
One O'Hare Center
6250 River Road, Suite 5000
Rosemont, IL 60018

Lessee: BC Rail
221 West Esplanade, Floor 6
North Vancouver, BC V7M 3J1

A description of the railroad equipment covered by the enclosed document is one hundred (100) 73' 286,000 GRL centerbeam flat cars with risers, with NOKL car marks (see Exhibit A for numbers).

A short summary of the document to appear in the index follows: Memorandum of Lease

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one (1) stamped original of the enclosed document to the undersigned along with the additional copies.

If you have any questions or concerns regarding the above-referenced matter, please feel free to contact me at (847) 384-5355. Thank you for your cooperation in this matter.

Very truly yours,

Susan Grokulska
Manager of Documentation

Enclosures

(BCR018)

RECORDATION NO. 24727-C FILED

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12:30 PM

ASSGN. NO. BCR018

MEMORANDUM OF LEASE

SURFACE TRANSPORTATION BOARD

THIS MEMORANDUM OF LEASE (the "Memorandum") is made and entered into as of this the 26th day of June, 2003, by and between the Montreal branch of FIRST UNION RAIL CORPORATION ("Lessor"), a North Carolina corporation, and BC RAIL LTD. ("Lessee"), a Canadian corporation.

WITNESSETH:

The undersigned Lessor and Lessee have entered into that certain Lease Agreement (the "Lease"), dated as of July 21, 1999, whereby Lessor has agreed to lease to Lessee certain railcars pursuant to Rider No. 10 the Lease (the "Rider"), as described in more particular on Exhibit A attached hereto, effective as of January 1, 2003, and subject to the terms, conditions and provisions of the above-mentioned Lease and Rider.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum to be duly executed under seal by their respective officers duly authorized as of the date and year first above written.

LESSOR:

FIRST UNION RAIL CORPORATION

NAME: Susan Barrie

TITLE: Regional Vice President, Sales

SIGNATURE: *Susan Barrie*

Executed on this 26th day of June, 2003.

[CORPORATE SEAL]

PROVINCE OF Quebec

DISTRICT OF Montreal



I, Danielle Lord, a Commissioner of Oaths of the Province and District aforesaid, certify that Susan A Barrie personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 26 day of June, 2003.

Danielle Lord
Commissioner of Oaths

My Commission Expires:

May 28, 2004

LESSEE:

BC RAIL LTD.

NAME: CHERYL YAREMKO

TITLE: VICE PRESIDENT FINANCE & CFO

SIGNATURE: 

Executed on this _____ day of _____, 2003.

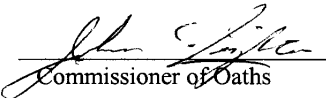
[CORPORATE SEAL]

PROVINCE OF British Columbia

DISTRICT OF _____ RCL

I, John Leighton, a Commissioner of Oaths of the Province and District aforesaid, certify that Cheryl Yaremko personally appeared before me this day and acknowledged his/her due execution of the foregoing Memorandum of Lease.

WITNESS my hand and official stamp or seal, this 13th day of June, 2003.


Commissioner of Oaths

My Commission Expires:

Jan. 31, 2006

EXHIBIT A
to
MEMORANDUM OF LEASE

NUMBER OF CARS: One hundred (100).

DESCRIPTION OF CARS: 73', 286,000 GRL Centerbeam Flat Cars with risers built in 1995.

CAR NUMBERS:

NOKL 732501	NOKL 732588	NOKL 732657
NOKL 732502	NOKL 732592	NOKL 732659
NOKL 732503	NOKL 732595	NOKL 732660
NOKL 732509	NOKL 732598	NOKL 732664
NOKL 732512	NOKL 732599	NOKL 732666
NOKL 732516	NOKL 732600	NOKL 732668
NOKL 732517	NOKL 732602	NOKL 732669
NOKL 732518	NOKL 732607	NOKL 733504
NOKL 732519	NOKL 732608	NOKL 733506
NOKL 732521	NOKL 732609	NOKL 733507
NOKL 732529	NOKL 732612	NOKL 733508
NOKL 732531	NOKL 732613	NOKL 733509
NOKL 732532	NOKL 732614	NOKL 733510
NOKL 732535	NOKL 732615	NOKL 733511
NOKL 732537	NOKL 732616	NOKL 733516
NOKL 732539	NOKL 732617	NOKL 733520
NOKL 732544	NOKL 732619	NOKL 733521
NOKL 732545	NOKL 732620	NOKL 733524
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NOKL 732552	NOKL 732623	NOKL 733526
NOKL 732553	NOKL 732625	NOKL 733529
NOKL 732554	NOKL 732627	NOKL 733530
NOKL 732557	NOKL 732628	NOKL 733531
NOKL 732558	NOKL 732632	NOKL 733533
NOKL 732562	NOKL 732634	NOKL 733534
NOKL 732564	NOKL 732635	NOKL 733538
NOKL 732566	NOKL 732639	Count 100
NOKL 732570	NOKL 732641	
NOKL 732571	NOKL 732642	
NOKL 732573	NOKL 732643	
NOKL 732577	NOKL 732646	
NOKL 732578	NOKL 732647	
NOKL 732579	NOKL 732649	
NOKL 732580	NOKL 732650	
NOKL 732582	NOKL 732651	
NOKL 732584	NOKL 732652	
NOKL 732585	NOKL 732655	